

Washington, DC - In an effort to help lower the cost of prescription drugs for seniors and people with disabilities, Congressman Maurice Hinchey (D-NY) today helped pass a measure that would require the federal government to negotiate with pharmaceutical companies for better prices than the ones currently offered. The prescription drug bill that Congress approved under Republican control in 2003, which Hinchey strongly opposed, explicitly prevents the federal government from negotiating with drug companies for lower prices -- a provision that was put in as a favor to the drug companies at the expense of America's seniors.

"Individual states, Fortune 500 companies, and large pharmacy chains all use their bargaining clout to negotiate for lower drug prices. It is unfathomable that under current law, the only entity in the country that can't negotiate with pharmaceutical companies is Medicare," Hinchey said. "Today, we voted to give Medicare the power to fight on behalf of our seniors rather than to sit back and let the drug companies call the shots and control the prices. This bill comes at a time when the cost of drugs offered through Medicare are rising at more than twice the rate of inflation in this country. Seniors and disabled Americans who get their drugs need a break and today we gave them one."

The prescription drug bill would require the Secretary of the U.S. Department of Health and Human Services (HHS) to negotiate lower drug prices on behalf of those who are enrolled in Medicare prescription drug plans -- seniors and disabled individuals. The current Medicare prescription drug law explicitly prohibits HHS from using the strength of Medicare's 43 million beneficiaries to negotiate bulk prescription drug price discounts. The bill provides the HHS Secretary complete discretion in how to implement his negotiating authority. The Secretary's options are many and HHS has a wealth of expertise, which it successfully used in 2001 to obtain lower prices for CIPRO, the prescription drug used in response to the anthrax attacks.

"Quite frankly, the entire Medicare prescription drug plan, Part D, needs to be scrapped because it is designed to benefit the drug companies not seniors," Hinchey said. "The measure we passed today is a step in the right direction and probably as good as we can get with the president we have in the White House, but we must stay focused on finding ways to provide a real prescription drug plan through Medicare, not one that provides gifts to the drug companies."

Providing HHS with negotiating authority has bipartisan support in Congress and across America. In a recent poll, 92 percent of Americans stated they supported the proposal. The bill is supported by dozens of organizations, including AARP, National Community Pharmacists Association, Association of Community Pharmacists, National Committee to Preserve Social

Security and Medicare, Center for Medicare Advocacy, Medicare Rights Center, Leadership Council of Aging Organizations, Families USA, and Consumers Union.